Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 IO-13 CIAE-00 DODE-00 PM-04 H-02 INR-07

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R 201546Z AUG 76 FM AMEMBASSY ASUNCION TO SECSTATE WASHDC 8129 INFO AMEMBASSY BUENOS AIRES AMEMBASSY LA PAZ

CONFIDENTIAL ASUNCION 3506

E.O. 11652: XGDS-1

TAGS: PFOR, PBOR, PA, BL

SUBJ: RELATIONS WITH BOLIVIA WORSEN OVER PILCOMAYO

REF: ASUNCION 1760

1. PARAGUAY'S RELATIONS WITH BOLIVIA, NEVER PARTICULARLY FRIENDLY, HAVE GROWN NOTICEABLY COOLER OVER THE PAST SIX MONTHS, LARGELY BECAUSE OF GOP'S DISPLEASURE OVER LACK OF PROGRESS ON THE JOINT EXPLOITATION OF THE PILCOMAYO RIVER. SEPARATE EMBASSY CONVERSATIONS RECENTLY WITH THE BOLIVIAN AMBASSADOR TO PARAGUAY, GENERAL ALBERTO LIBERA CORTEZ, AND THE AMERICAN CITIZEN DIRECTOR OF THE OAS PILCOMAYO PROJECT CONFIRM THIS CONCLUSION.

2. THE FURTHER COOLING OF RELATIONS SEEMS TO STEM FROM THE SUDDEN, UNANNOUNCED VISIT OF PARAGUAYAN FOREIGN MINISTER NOGUES TO BOLIVIA LAST APRIL (REPORTED IN REFTEL). THE BOLIVIANS REPORTEDLY WERE ANGRY OVER THIS MOVE, AND REACTED BY GIVING FURTHER PUBLICITY TO THEIR PLANS TO DIVERT THE PILCOMAYO'S WATER FOR IRRIGATION PURPOSES. THIS ENRAGED THE GOP WHO RETALIATED BY WITHDRAWING THE POLICE GUARDS FROM THE BOLIVIAN AMBASSADOR'S RESIDENCE IN ASUNCION AND IN GENERALLY SNUBBING HIM. CONFIDENTIAL

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THIS WAS FOLLOWED BY THE DECISION OF LLOYD AEREO

BOLIVIANO TO CANCEL FLIGHTS FROM SANTA CRUZ TO ASUNCION BEGINNING AUGUST 1, AND THE TERMINATION BY GOB OF SIMILAR LAP FLIGHTS ON AUGUST 19.

- 3. WHILE THERE ARE OTHER REASONS AS WELL BEHIND THE AIRLINE DISPUTE, THE BOLIVIAN AMBASSADOR BELIEVED THAT PARAGUAYAN UNHAPPINESS OVER LACK OF PROGRESS ON THE JOINT DEVELOPMENT OF THE PILCOMAYO WAS AT THE BOTTOM OF ALL THE DIFFICULTIES. HE TOLD US QUITE FRANKLY THAT BOLIVIA SAW NO REASON TO SHARE THE BENEFITS OF THE PILCOMAYO WITH PARAGUAY. AS FAR AS THE AMBASSADOR WAS CONCERNED, THIS RIVER BELONGED TO BOLIVIA, TO MAKE WHATEVER USE OF IT IT WANTED.
- 4. THE PILCOMAYO ISSUE WILL PROBABLY COME TO A HEAD AT THE NEXT MEETING OF THE TRINATIONAL PILCOMAYO COMMISSION OPENING SEPTEMBER 13 WE UNDERSTAND PARAGUAY FOR THE FIRST TIME WILL PRESENT A PROPOSAL FOR THE JOINT DEVELOPMENT OF THE RIVER, WHICH ACCORDING TO THE AMERICAN EXPERT IS TOTALLY IMPRACTICAL AND WILL PROBABLY BE REJECTED OUT OF HAND BY BOLIVIA. IN VIEW OF THEIR PRESENT ATTITUDE, IT WOULD SEEM UNLIKELY THAT BOLIVIA WOULD ADVANCE ANY PROPOSAL, SO THE CHANCES ARE THAT PARAGUAY WILL COME AWAY FROM THE MEETING EVEN MORE ILL-DISPOSED TOWARDS BOLIVIA THEN THEY ARE AT PRESENT.
- 5. INASMUCH AS THE GOP IS FIRMLY CONVINCED THAT THE USG STANDS FOURSQUARE BEHIND BOLIVIA, THE FRICTION BETWEEN THE TWO COUNTRIES IS NOT HELPFUL TO OUR OWN BILATERAL RELATIONS WITH PARAGUAY. THE DEPTH OF THE ILL-FEELING AGAINST BOLIVIA WAS SHOWN AGAIN RECENTLY WHEN PRESIDENT STROESSNER RATHER EMOTIONALLY TOLD THE MILGP CHIEF THAT "THE BOLIVIANS HATE US." THE REASON FOR HIS OUTBURST WAS THE NOTIFICATION THAT MILGPS IN PARAGUAY, URUGUAY AND COSTA RICA WOULD BE DISESTABLISHED ON SEPTEMBER 30, 1976.

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